

**AMENDED BYLAWS
OF
SPRINGDALE CONSOLIDATED IRRIGATION COMPANY**

ARTICLE I.

Purpose:

The purpose, powers, names and principal place of business of Springdale Consolidated Irrigation Company (the "Corporation") shall be as stated in the Amended Articles of Incorporation. These Amended By-laws supersede and replace all prior by-laws of the Corporation.

ARTICLE II.

Corporate Seal:

Sec. 1: The seal of the Corporation shall have inscribed around the circumference thereof the name of the Corporation, and the word "Utah", and shall have inscribed in the center thereof the words "Corporate Seal".

Sec. 2: The secretary of the Board of Directors (the Board) shall have custody of the seal.

Sec. 3: The seal may be used by causing it, or a facsimile, to be impressed, affixed or otherwise reproduced as directed by the Board.

ARTICLE III.

Fiscal Year:

The fiscal year of the Corporation shall begin on the first day of January and shall end on the thirty-first day of December each year.

ARTICLE IV.

Stock Ownership

Any person or group of persons shall be eligible to own stock in the Corporation upon acquiring title to a minimum one-half (1/2), or more shares of Corporation stock for irrigation of specific land as recorded in the books of the Corporation. No transfer of shares may be made without notification to and approval of the Board of Directors. Stock ownership may be transferred upon the books of the Corporation upon surrender of a stock certificate properly endorsed, and then only when all assessments or other charges of whatever nature against the stock have been fully paid to the Corporation by the stockholder making the transfer.

The rights of stock ownership are subject to the payment of annual and special assessments levied by the Corporation. The obligation for payment of assessments becomes a lien upon the stock as provided herein. If a stockholder fails to make payment of any annual or special assessment levied by the Corporation within thirty (30) days after the same shall become due and payable, the voting rights of such stockholder shall be deemed suspended by the Board and such stockholder's right to use water may be suspended by the Board until such assessment and any other applicable charges against the stock have been paid. Rights of a stockholder also may be suspended after notice and hearing, for violations of these Amended By-laws, any rules of operation established by

the Board governing the use of the property, services, facilities or equipment of the Corporation.

ARTICLE V.

Stockholder Meetings:

Sec. 1: The annual meeting of stockholders shall be held at Springdale, Utah, during the month of February of each year at a time and place to be determined by the Board.

Sec. 2: Special meetings of the stockholders may be called at any time by the President/Chairman of the Board of Directors, or by stockholders representing at least fifty (50) shares of the outstanding stock certificates of the Corporation.

Sec. 3: Notice of all meetings of stockholders shall be given in writing mailed to each stockholder at the address shown on the Corporation's records, not less than ten (10) days prior to the date of the meeting. Such notice shall state the time, place, nature and purpose of the meeting.

Sec. 4: The notice provided for hereinabove is not indispensable and any meeting of the stockholders shall be deemed validly called for all purposes if all stockholders are represented thereat in person or by proxy, or if a quorum is present and waivers of notice of time, place and purpose of such meeting shall be duly executed in writing either before or after said meeting by those stockholders not so represented or not given such notice. The attendance of any stockholder at a meeting in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such stockholder.

Sec. 5: The stockholders present at any regular or special meeting shall constitute a quorum for the conduct of business. Stockholders may vote in person or by proxy, one (1) vote per each full share of stock or one-half (1/2) vote per each half share of stock owned.

Sec. 6: At all meetings of stockholders, each stockholder may vote in person or by proxy. All proxies shall be in writing and filed with the secretary of the Board prior to the meeting for which the proxy is valid. Every proxy shall be revocable and shall automatically cease upon conveyance by the stockholder of his or her share(s) of stock.

Sec. 7: Election of the Board of Directors shall be conducted at the Annual Stockholders Meeting each February. Nominations shall be accepted from the stockholders. Each stockholder may vote in person or by proxy.

Section 8: The order of business at annual meeting of stockholders, and so far as applicable, at all special meetings, shall be:

1. Call to order
2. Proof of notice of meeting or waiver thereof
3. Reading and action on any unapproved minutes
4. Reports
5. Election of Board of Directors
6. Unfinished business
7. New business
8. Adjournment

Sec. 9: If a quorum is present, the affirmative majority vote of the stockholders represented at the meeting shall be the act of all the stockholders unless the act of a greater number is expressly required by law, by the Amended Articles of Incorporation, or by these By-laws. Upon direction of the presiding officer or upon demand of a stockholder, the vote upon any business before a meeting shall be by ballot, but otherwise any such vote need not be by ballot.

Sec. 10: Whenever stockholders are required or permitted to take any action by vote, such action may be taken without a meeting on written consent, setting forth the action so taken, signed by all stockholders entitled to vote.

ARTICLE VI

Directors and Officers:

Sec. 1: The affairs of the Corporation shall be managed by a Board of five (5) Directors (The "Board"). The Board may adopt such rules and regulations for the conduct of the Board meetings and management of the Corporation as the Board deems proper.

Sec. 2: Directors shall be elected at the annual meeting of the stockholders. At the said annual meeting, two (2) Directors shall be elected for two (2) year terms and one (1) Directors shall be elected for a one (1) year term. Directors shall hold office until a successor has been elected and qualified. All trustees shall be residents of the State of Utah.

Sec. 3: Subject to restrictions of law, the Amended Article of Incorporation, and these By-laws, the Board shall exercise all of the corporate powers of the Corporation. Such power and authority shall be exercised by the adoption of resolutions by a majority vote of the Directors present at a legally held meeting of the Board.

Sec. 4: The Board shall meet within ten (10) days after the annual meeting for organization of the Board and election of such officers as the Board may determine. Thereafter, the Board shall meet at such times and places as may be determined by the Board, or at such times and places as a special meeting may be called. Notice of all such meetings shall be given each Director in person or by mail within a reasonable time prior to such meeting.

Sec. 5: Three (3) members of the Board shall constitute a quorum at any meeting of the Board and such quorum is authorized and empowered to transact all business and exercise all corporate powers of the Corporation.

Sec. 6: The officers of the Corporation as designated by the Board have and shall exercise the powers, functions and duties specifically delegated to them by the Board as well as such additional functions and duties as may reasonably support such delegation, and as may be directed from time to time by the Board.

Sec. 7: Any officer or Director may be removed, and the office declared vacant by a majority vote of at least two-thirds (2/3) of the shares of stock of the Corporation, for misconduct or for any other cause, at any meeting called for that purpose, of which meeting and the purpose thereof, the offending officer or Director and stockholders shall be given at least ten (10) days notice in writing.

The resignation of any officer or Director may be given in writing, addressed to the Board, and may be acted upon by the Board at any meeting.

Any office becoming vacant or any seat on the Board shall be filled by the remaining Director, by appointment, and such appointee shall hold office until the annual election and until his or her successor is elected and qualified.

Sec. 8: The Directors and officers shall not be compensated for services rendered as such Director or officers; but reimbursement may be made, with approval of the Board, for any actual and reasonable expenses incurred by a Director or officer in the performance of his or her duties. The secretary of the Board may be compensated for services rendered upon such basis as may be approved by the Board.

Sec. 9: Any person engaged by the Board shall be deemed an independent contractor as may be required by the Board, shall be required to provide fidelity bonds in such amounts as the Board may require, payable to the Corporation, and conditioned upon faithful and full performance of the duties of such person. The cost of procuring such bonds shall be paid by the Corporation.

ARTICLE VII

Powers and Duties of the Board of Directors

Sec. 1: Powers. The Board shall have power to:

- (a) adopt and publish rules and regulations governing the use of water and the easements, the roads, the equipment and facilities of the Corporation and to establish penalties for the infraction thereof;
- (b) suspend the voting rights, rights to use water, and any other rights of a stockholder during any period in which such stockholder shall be in default in the payment of any assessment or charge levied by the Corporation. Such rights may also be suspended for a period of not to exceed sixty (60) days, after notice and hearing, for infraction of any published rules and regulations;
- (c) enter into contracts, engage a watermaster, manager, an independent contractor or such other persons as deemed necessary and to prescribe their duties;
- (d) exercise all powers, duties and authority vested in or delegated to this Corporation and not reserved to the stockholder by other provisions of these By-laws, by law, or by the Amended Articles of Incorporation.

Sec. 2: Duties. It shall be the duty of the Board to:

- (a) cause the property, equipment and facilities of the Corporation to be maintained;
- (b) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the stockholders at the annual meeting of the stockholders, or at any special meeting when such statement is requested in writing by one-half (1/2) of the stockholders who are entitled to vote;
- (c) supervise all officers and agents of the Corporation, and to see that their duties are properly performed;
- (d) fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period;
- (e) send written notice of each assessment to every stockholder subject thereto at least thirty (30) days in advance of each annual assessment period;

- (f) bring an action at law for unpaid assessments against the stockholder personally obligated to pay the same, or foreclose the lien against the stock or take other action to collect unpaid assessments and other lawful charges;
- (g) furnish a certificate upon demand, and for a reasonable charge, signed by an authorized person setting forth whether the assessment on a specified stockholder has been paid;
- (h) procure and maintain adequate liability and hazard insurance on property owned by the Corporation;
- (i) cause all officers or persons having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE VIII

Contracts, Checks, Deposits, Annual Report, and Gifts:

Sec. 1: Contracts: The Board may authorize any designated person of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or may be confined to specific instances.

Sec. 2: Checks, Drafts, or Orders: All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Corporation, shall be signed and countersigned by persons specified by written resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President/Chairman of the Corporation.

Sec. 3: Deposits: All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

Sec. 4: Annual Report: The Board shall present at the annual meeting of the stockholders the report of the secretary, giving the annual budget and a statement of income and expenses, and a report of other affairs of the Corporation during the preceding year. Upon request of a stockholder, The Board shall provide, at the expense of the Corporation, copies of said annual budget and statement of income and expenses.

ARTICLE IX

Books and Records:

The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board having and exercising any of the authority of the Board, and shall keep at the principal office a record giving the names and addresses of the stockholders entitled to vote. All books and records of the Corporation may be inspected at the principal office of the Corporation by any stockholder for any proper purpose at any reasonable time.

ARTICLE X

Assessments and Charges:

Sec. 1: Annual and Special Assessments and Charges: Each stockholder is obligated to pay to the Corporation an annual assessment, and all stockholders are obligated to pay special assessment and other lawful charges. All assessments and other

lawful charges are secured by a continuing lien upon the stock. No stockholder may waive or otherwise escape liability for assessments and/or charges provided for herein by non-use of the facilities of the Corporation.

Sec. 2: Creation of the Lien and Personal Obligation of Assessments and Charges: Every stockholder and each subsequent owner of stock or by stockholders and/or acceptance of water service, covenants and agrees to pay to the Corporation (1) annual assessments and/or charges; (2) special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided; and (3) interest, costs of collection and a reasonable attorney's fee, as herein provided. All such amounts shall be a charge on the stock of the owner or user. Such assessments and other amounts shall be the personal obligation of the person who is the owner of the stock and his or her successors until all amounts are paid in full.

Sec. 3: Purpose of Assessments and Charges: The assessments and charges levied by the Corporation shall be used exclusively for the purposes set forth in the Amended Articles of Incorporation and in particular for the improvement and maintenance of the property and services of the Corporation, including the establishment of a cash reserve for repair, maintenance, taxes and other charges.

Sec. 4: Annual Assessments: After consideration of the financial needs of the Corporation, the Board shall fix the annual assessment and pass a resolution levying the assessments. The resolution will specify the amount(s) of the assessments, and fix a day subsequent to the full term of the notice of assessment on which the unpaid assessment shall be delinquent, not less than thirty (30) days from the time of making the order levying the assessment. A day for the sale of delinquent share(s) of stock not less than fifteen (15) nor more than sixty (60) days from the day the assessments are declared delinquent may be set. The annual assessment shall commence on the first day of the month following when the stockholder acquires any share(s) of stock. At least twenty (20) days prior to the commencement of each new year or adjusted assessment, the Board shall send or cause to be sent a written notice of the rate of the annual assessment for the coming year to each stockholder subject thereto. Receipt of notice shall not be a prerequisite to validity of the assessment.

Sec. 5: Special Assessments for Capital Improvements: In addition to the annual assessments, the Corporation may levy in any assessment year against all stockholders, a special assessment, applicable to that year only. Special assessments may only be levied to defray, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Corporation. Special assessments must have the assent of one-half (1/2) of the votes of the stockholders authorized to vote who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all stockholders not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Sec. 6: Proportionate Rate of Assessment: Annual and special assessments must be fixed at a proportionate rate on the basis of total number of shares of stock owned.

Sec. 7: Time and Record of Assessments: The Board shall prepare a roster of the stockholders and the assessments applicable to them at the same time that it shall fix the amount of the annual assessment, which roster shall be kept by the secretary of the Board who shall record payments of assessments and shall allow inspection of the roster by any stockholder at reasonable times.

Sec. 8: Effect of Non-Payment of Assessment – Remedies of the Corporation:
Any assessment or installment thereof not paid within thirty (30) days after the due date therefore shall be delinquent and shall bear interest from the due date at fifteen percent (15%) per annum until paid. In addition, the Board may assess a late fee for each delinquent installment which shall not exceed twenty percent (20%) of the installment.

The Board may, in the name of the Corporation, (a) bring an action at law against the stockholder personally obligated to pay any such delinquent assessment without waiving the lien of assessment, or (b) may foreclose the lien against the stock in any manner permitted by law or in accordance with the laws of the State of Utah Code Ann. Sec 16-4-1 et seq., and/or (c) may restrict, limit, or totally terminate any or all services performed or provided by the Corporation in behalf of the delinquent stockholder.

There shall be added to the amount of any delinquent assessment costs and expenses of action, sale or foreclosure, and a reasonable attorney's fee.

ARTICLE XI

Rules and Regulations:

The Board shall have the power to adopt and establish by resolution such rules and regulations as it may deem necessary for the maintenance, operation, management and control of the property, equipment, facilities and utility systems of the Corporation, and the Board may alter from time to time such rules and regulations. The stockholders shall at all times obey such regulations and use their best efforts to see that they are faithfully observed by the persons who use water, their lessees, tenants, and others over whom they may exercise control or supervision. The Board may levy a fine or penalty not to exceed the maximum annual assessment against any owner who fails to refrain from violations of any rule or regulation of the Corporation, after three (3) days written notice.

ARTICLE XII

Water Regulations:

Sec. 1: Use of Water: All water furnished shall be used in reasonable quantities, and water shall not be permitted to be wasted.

Sec 2: Inspections: The Corporation, or its authorized representatives, will have the right upon reasonable notice, or in the event of an emergency without notice, to inspect the system, to determine the condition of the same to prevent waste of water.

Sec. 3: Control of Water System and Distribution: The Board, through its duly authorized agents, shall have exclusive control of the water system.

ARTICLE XIII

Certificate of Stock:

No certificate of stock shall be issued by the secretary for less than one-half (1/2) share of said stock.

ARTICLE XIV

No share(s) of stock of the Corporation may be transferred apart from the land on which the irrigation water is used; provided that shares may be transferred by sale or other means after 120 days prior written notice:

- i) within the Corporation; and
- ii) to the Town of Springdale, so long as the Water Purchase Agreement dated December 3, 1987, between the Corporation and the Town of Springdale is in effect, during which time the Town of Springdale may exercise its first right of refusal to purchase said shares under the Water Purchase Agreement.

ARTICLE XV

Amendments:

These Amended By-laws shall be repealed, altered and amended at any meeting of the stockholders legally held for that purpose upon a notice required by these By-laws, by a majority vote of the stockholders present or represented at such a meeting, or by a majority vote of the stockholders at an annual meeting.

These Amended By-laws were adopted by a vote of a majority of stockholders at a meeting held on the 10 day of June, 2006.

R Brent Holton
Chairman of the Board of Directors

Charles W. Bush
Secretary